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MINUTES
REGULAR BOARD MEETING
Friday, August 26, 2011 9:007 AM

Call to Order and Roll Call

Regular Board meeting called to order by Les Abrams, Chairman.

Board members Present at Roll Call:

Les Abrams
Debbie Rudd
Myra Jefferson
James Heaslet
Mike Petrus
Joe Stroud
Mike Trueba
Kevin Yeanoplos

Staff Attendance:

Dan Pietropaulo – Executive Director
Jeanne Galvin – Assistant Attorney General
Amanda Benally – Staff
Rebecca Loar – Staff

Pledge Allegiance to the Flag of the United States of America

Approval of Minutes

Myra Jefferson made a motion to approve the July minutes. The motion was seconded by James Heaslet and passed unanimously.

Call to the Public

James Amoako, appraiser spoke to the Board concerning his pending appeal of the Board's denial of his Certified Residential Application. Mr. Amoako informed the Board that he is unsure of the lawsuit and investigation against him and believes he was not given his due process of the law. Jeanne Galvin, Assistant Attorney informed Mr. Amoako of the legal process and informed Mr. Amoako that he can file a response to the Board's denial. Mrs. Galvin also informed Mr. Amoako that currently his licensed residential certificate has expired and that he has until Monday, August 29, 2011 to renew. If he doesn't renew by Monday, August 29, 2011 he will need to reapply and start over. Mr. Amoako informed the Board that he does not want to renew his license residential certificate and feels his certified residential certificate is worth more and will focus on the appeal process.

Review and Action concerning 3273-3274 Tracy M. Captain

Respondent appeared. James Heaslet recused himself from this matter. Staff summary was read. Complaint Alleges: There were numerous, careless errors on the appraisal showing differing information. Respondent Replied: There was no act of omission involving dishonesty, fraud, or misrepresentation. There were a few typos in the report that were corrected in an updated appraisal. There was discussion on the fact that the report was cloned, that H.V.C.C. doesn't apply to borrowers and that the

Respondent relied on the county assessors' site valuation. There was discussion from the two property tax agents and they recommended that they would not rely on the assessors' valuation for site value and there should have been a view adjustment. Debbie Rudd made the motion that the Board refer this matter to investigation and limit the investigation to investigate whether a view adjustment is warranted. Mike Petrus seconded the motion. The Board voted in favor of the motion.

Informal Hearing concerning 3073 Frank Vega

Respondent appeared. James Heaslet recused himself from this matter. Respondent was sworn in, and gave an opening statement stating that this has been a very long process for him and his family. He is a little frustrated with the whole circumstances, as he felt that he presented a reasonable reply. He then restated the circumstances of the complaint and his reply. There was discussion on who wrote the report, who the client was, and who ordered the report, and if this report was never meant to be sent out why did the appraiser sign the appraisal report. The Respondent mentioned that he signed his draft reports. The Executive Director, Dan Pietropaulo informed the Board that some appraisal software would only lock the document with a digital signature. Respondent gave a closing statement noting that he did ask this report to be sent back and he refunded the appraisal fee, it was not his intent for this report to be sent out. He stated that he would consider a USPAP violation on how his signature was handled. There was discussion on what education the Respondent had already completed. There also was discussion on whether the public was harmed. Myra Jefferson commented that from a lender's perspective if the appraisal is signed, should she second guess if this is the final report or incomplete? There was discussion on whether there were USPAP violations or just poor business practices. Debbie Rudd made the motion that the Board find a Level 3, noting the findings in the investigator's report, and offer a consent agreement for 6 months probation, with mentorship, 12 reports at a minimum and disciplinary education without continuing education credit. Mike Trueba seconded the motion. There was discussion among the Board members that the Respondent never had a prior complaint, has been appraising since 1994 and this is not an appraisal problem maybe a business problem, maybe ethics. The Board voted: Kevin Yeanoplos, Les Abrams, Myra Jefferson, and Mike Petrus voted "no". Mike Trueba and Debbie Rudd voted "yes". The motion failed. Kevin Yeanoplos made the motion that the Board find a Level 1 and offer a Nondisciplinary Remedial Action Letter requiring education without continuing education credit. Mike Petrus seconded the motion. The Board voted: Kevin Yeanoplos and Mike Petrus voted "yes". Debbie Rudd, Les Abrams, Mike Trueba, and Myra Jefferson voted "no" The motion failed. Myra Jefferson made the motion that the Board find a Level 2 and offer a Due Diligence Letter finding Violation 1-2 (a) requiring education with no continuing education credit. Mike Trueba seconded the motion. Kevin Yeanoplos and Mike Petrus voted "no". Debbie Rudd, Les Abrams, Mike Trueba, and Myra Jefferson voted "yes", the motion passed.

Informal Hearing concerning 3203 Joseph M. Delaney

Respondent appeared, was sworn in, and gave an opening statement. He addressed a few issues mentioned in the complaint and he explained his method of his cost approach and external obsolescence to the Board and shared the answers from three of the USPAP experts to the Board. The Executive Director, Dan Pietropaulo asked for clarification of the Respondent's external obsolescence in his report. Debbie Rudd made the motion that the Board find no violations and dismiss the complaint. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3279 Robert C. Oglesby

Respondent appeared and staff summary was read. Complaint Alleges: The appraiser ignored very pertinent upgrades including the fact that their home is on a view lot.

Respondent Replied: the view analysis is supported by multiple properties with the adequate adjustments and concluded that the opinion of market value is supported. James Heaslet made the motion that the Board find no violations and dismiss the complaint. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3276 Larry Hamby

Respondent appeared and staff summary was read. Complaint Alleges: Following a review appraisal, deficiencies were found. Respondent Replied: The complainant is not the client and USPAP does not allow me to reveal any information to other than the client. After four years and a review were issued the complainant is just looking for reason to find fault with any one who is willing to accept their findings of fact. There was discussion regarding the golf course view and using an MLS photo for one of the comparable photos. Respondent informed the Board that he used an MLS photo for the comparable photos because the photo he took probably didn't come out right. He mentioned that he drove every comparable sale. There was also some discussion on the Respondent's choice of comparable sales. Debbie Rudd made the motion that the Board find a Level 2 and offer a Due Diligence Consent Letter finding Violations 1-4 (a) and 2-1 (a) because there were seven other sales thought to be more comparable and for being misleading in the report. The Due Diligence Consent Letter providing disciplinary education without continuing education credit. Mike Petrus seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3278 Martin A. Riley

Respondent appeared and staff summary was read. Complaint Alleges: Square footage of subject property is incorrect. Lot size in comp 2 was considered an over improvement and no compensation was given and many other errors found in the report. Respondent Replied, The work file submitted supports the appraisal; fully documents why a cash sale was not used; why no lot size adjustment was used; and why the upstairs stairwell was not calculated as GLA (Gross Living Area). Respondent informed the Board that this report was written prior to working with Roger Beagle voluntarily and mentioned the education he has already taken. There was discussion on cash sales. Respondent mentioned that he had better comps to use but he didn't bother with the cash sale comparable. Mike Petrus made the motion that the Board find a Level 2 finding Violations 1-1 (a), 2-1(a), and 1-4(a) for ignoring a comparable because it was a cash sale. Mike Petrus made the motion that the Board recognize that the Respondent's education he is taking in pursuit of his SRA designation and will consider that in lieu of imposition of discipline in this case. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3268/3269 Kurt D. Kleinman

Respondent appeared. Debbie Rudd informed the Board that she had worked with the Respondent many years ago but that she remains objective in her consideration of the matter. Debbie Rudd summarized the complaint and the Respondent replied to the Board. Debbie Rudd made the motion to refer this to investigation. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3280- Shelly L. McIntyre

Respondent appeared and staff summary was read. Complaint Alleges: The appraiser did not provide me with a "market value" amount but just matched her value with the loan amount which was already approved. Respondent Replied: The appraisal report is thorough and fully supported. Debbie Rudd made the motion that the Board find no violations and dismissed the complaint. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3277 Anthony L. Colica

Respondent appeared and staff summary was read. Complaint Alleges: Multiple errors and the complainant questions the appraiser's geographic competency. Respondent Replied: I have demonstrated geographic competency and a thorough knowledge of the appraisal procedure, including but not limited to cost analysis, methods of depreciation, paired-sales, and market conditions analysis. Mike Petrus made the motion that the Board refer this to investigation. James Heaslet seconded the motion. There was discussion with the respondent regarding his reasoning for selection of comparable sales 1 and 2. Respondent explained the quality of the interior of the comps with remodeling similar to the subject property. James Heaslet mentioned that he has no data and is not competent of the area and would like this to go to investigation. The Board voted unanimously in favor of the motion to send to investigation.

Kevin Yeanoplos made the motion that the Board go into Ex. Session for legal advice. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

The Board reconvened back into regular session.

Review and Action concerning 3261 Arthur K. Softley

Respondent was not present and staff summary read. Complaint Alleges: That there was a conflict of interest between the lender and the appraiser and the choice of comparable sales were inappropriate. Respondent Replied: There is no conflict of interest, best comps used, and the value conclusion contained in the report is considered to be both accurate and well supported. James Heaslet made the motion that the Board find no violations and dismiss the complaint. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3263 Brad L. Duecker

Respondent was not present and staff summary read. Complaint Alleges: The appraiser mismeasured the home and the lender would not pursue this matter since they had already removed this appraiser from their approved list due to a number of other complaints. Respondent Replied: Best comparable sales used from the subject's market area that would attract the typical market area buyer and the measurement was correct. James Heaslet made the motion that the Board find no violations and dismiss the complaint. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3275 Kevin M. Simms

Respondent was not present and Rebecca Loar informed the Board that the Respondent was here but had to leave and requested that the Board table this matter. The Board tabled this matter.

Review and Action concerning 3281 James A. Jamison

Respondent was not present and staff summary read. Complaint Alleges: Inappropriate methodology and comparable selection and misrepresentation of market conditions and numerous USPAP violations. Respondent Replied: He acknowledged that this appraisal was not completed in a professional manner. He was very embarrassed with the results of this assignment but the errors were not intentional. Debbie Rudd made the motion that the Board invite Respondent to an Informal Hearing. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3286 Richard L. Abbott

Respondent was not present and staff summary read. Complaint Alleges: The appraiser was paid an additional \$150 for a rush appraisal. The appraisal was ordered on 6/8/11, it is 6/27/11 and the lender had to give the appraisal back to the appraiser 4 times due to errors. Respondent Replied: On 6/15/11 the report was completed and sent to the client. All the changes and revisions were responded to immediately to try to complete this report in a timely manner. Debbie Rudd made the motion that the Board find no violations and dismiss the complaint. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 2934 Deborah A. Nicoletti

Respondent was not present. The Executive Director Dan Pietropaulo informed the Board that the Respondent could not make it to the meeting and read her email to the Board. Debbie Rudd made the motion that the Board accept the investigator's report. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd made the motion that the Board take no action of discipline because this has already been adjudicated prior to this complaint but still accept investigation findings. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 2956 Brandon F. Meahl

Respondent was not present. Debbie Rudd recused herself from this matter. James Heaslet made the motion that the Board accept the investigator's report. Myra Jefferson seconded the motion. The Board voted in favor of the motion. James Heaslet made the motion that the Board find a Level 2 finding the violations found in the investigative report and offer a Due Diligence Letter providing disciplinary education without continuing education credit. Myra Jefferson seconded the motion. The Board voted in favor of the motion.

Review and Action concerning 2952 Keith J. Holmes

Respondent was not present. Mike Petrus made the motion that the Board accept the investigator's report. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd made the motion that the Board invite Respondent to an informal hearing. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3084 Keefe R. Tidwell and 3085 Larry Abbott, Jr.

Respondents were not present. Debbie Rudd made the motion that the Board accept the investigator's report. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd made the motion that the Board find a Level 2 citing the violations found in the investigator's report and offer a Nondisciplinary Remedial Action Letter requiring education without continuing education credit. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3164 Luis F. Llanos and 3165 Scott A. Armstrong

The Respondents did not appear. Debbie Rudd moved that because Luis F. Llanos' 90-day grace period to renew had expired, complaint 3164 to be closed without prejudice. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion. Debbie Rudd made the motion that the Board accept the investigator's report and invite Scott A. Armstrong to an Informal Hearing. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 1498/1782/1784 Felicia M. Coplan

The Respondent did not appear. Debbie Rudd made the motion that the Board accept the mentor. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

There was discussion among the Board members and Dan Pietropaulo regarding the mentor's requirements and the changes in policy requiring the mentor to provide a monthly log of appraisals reviewed for the appraiser on probation, as well as the monthly mentor's report.

Review and Action concerning 2822/2844 Sheri L. Farrell

The Respondent did not appear. James Heaslet made the motion that the Board approve Respondent's request to terminate probation and mentorship. Debbie Rudd seconded the motion. Mike Petrus informed the Board that he found errors on the Sheena Drive appraisal. James Heaslet and Debbie Rudd withdrew their motion. Dan Pietropaulo suggested that the Board request the Standard 3 reviews from the mentor. Mike Petrus made the motion that the Board deny Respondent's request for termination of her probation and mentorship and to issue an Order to Extend Probation for 90 days with a new mentor, and with a minimum of 12 reports. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 2932 Jaime Topete

The Respondent did not appear. James Heaslet moved that because Respondent's 90-day grace period to renew had expired, the complaints be closed without prejudice and to rescind the referral to the Office of Administration for formal hearing. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion, Mike Petrus was absent at the time of this vote.

Review and Action concerning 2937 Karen K. Looney

The Respondent did not appear. James Heaslet made the motion that the Board accept the mentor. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 2964/2965/2966/2967 Razvan P. Silvas

The Respondent did not appear. Debbie Rudd moved that because Respondent's 90-day grace period to renew had expired, the complaints be closed without prejudice. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 2975/2976/2977/2978/2979/2980/2981/2982 John S. Colman

The Respondent did not appear. Myra Jefferson made the motion that the Board accept the mentor. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 3252 Peter C. Childs

The Respondent did not appear. James Heaslet moved that because Respondent's 90-day grace period to renew had expired, the complaint be closed to be reopened and considered in the event Respondent reapplies. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion.

12-Month File Review

The Executive Director, Dan Pietropaulo gave a report to the Board outlining the 12-month status report.

Myra Jefferson left the meeting at 3:00 p.m.

Review and Action concerning A0018 Foxtrot Corporation

Amanda Benally updated the Board with the status of the complaint. Debbie Rudd made the motion that the Board file a claim on the bond for the outstanding invoices. Mike Petrus seconded the motion. The Board voted unanimously in favor of the motion.

Review and Action concerning 40117 Jeder Valuation Consultants, Inc.

Dan Pietropaulo updated the Board with the status of the complaint. James Heaslet made the motion that the Respondent provide a D.B.A. change of name, proof that the name has been changed with Corporation Commission, name change with the bond, and amended page 1 and 2 showing that the officer's names remain the same. Debbie Rudd seconded the motion. The Board voted unanimously in favor of the motion.

Ex. Director Report

Jeanne Galvin, Assistant Attorney General informed the Board that her assignments are current. Dan Pietropaulo informed the Board that there were three complaints that have been extended by staff and gave a brief summary of the Complaint Statistics Report, see below.

Lester G. Abrams
Chairperson

	May		%	June	%	July	%	Total	Total % from Jan.
Complaints Received by Board	13			14		12		86	
Number of Respondents (of complaints received)	11			14		12		83	
Number of Agenda Items	37	*6		31		27		230	
Board Actions									
Dismissed	3		42.86%	5	41.67%	4	25.00%	35	31.53%
Nondisciplinary Letter of Concern	0		0.00%	2	16.67%	7	43.75%	16	14.41%
Nondisciplinary Remedial Action	2		28.57%	2	16.67%	1	6.25%	13	11.71%
Due Diligence	0		0.00%	0	0.00%	2	12.50%	6	5.41%
Probation	2		28.57%	1	8.33%	1	6.25%	24	21.62%
Suspension	0		0.00%	0	0.00%	0	0.00%	13	11.71%
Surrender	0		0.00%	2	16.67%	0	0.00%	2	1.80%
Revocation	0		0.00%	0	0.00%	0	0.00%	1	0.90%
Cease & Desist	0		0.00%	0	0.00%	1	6.25%	1	0.90%
Total Board Actions	7		100.00%	12	100.00%	16	100.00%	111	100.00%
Other Board Actions									
Ref. to Investigation	0		0.00%	3	60.00%	4	80.00%	13	34.21%
Informal Hearing	0		0.00%	1	20.00%	1	20.00%	20	52.63%
Formal Hearing	0		0.00%	1	20.00%	0	0.00%	5	13.16%
Total Other Board Actions	0		0.00%	5	100.00%	5	100.00%	38	100.00%
Violation Levels									
No Violation (Closed, Other, Etc.)	0		0.00%					38	41.76%
I	3		42.86%	5	50.00%	5	31.25%	7	7.69%
II	0		0.00%	3	30.00%	7	43.75%	12	13.19%
III	2		28.57%	1	10.00%	3	18.75%	19	20.88%
IV	2		28.57%	1	10.00%	1	6.25%	14	15.38%
V	0		0.00%	0	0.00%	0	0.00%	1	1.10%
Total Violations	7		100.00%	10	100.00%	16	100.00%	91	100.00%
Complaints Closed as of 2011									
Closed due to Expiration	0			0		1		20	
Closed - Other	0			1		0		1	
Total Closed Complaints	0			1		1		21	

*1 Level 4 Probation and Mentorship for James A. Gonzalez #3175

*2, 7 complaints for William H. Moffett #2385-2391, inclusive

*3, James R. Nelson Summary Suspension 3071/3085/3195/3199/3226

*4, Scott A. Gary 2926-2930, inclusive

*5, John S. Colman Suspension 2975-2982, inclusive

*6, This included Kym R. Gaudette 2280-2301, inclusive terminated probation (22 complaint files)

A. Report on number of Arizona Appraisers and Property Tax Agents:

	<u>8/09</u>		<u>8/10</u>		<u>8/11</u>		
Licensed Residential	745		551		404		
Certified Residential	1213		1213		1195		
Certified General	827	Total 2785	816	Total 2580	798	Total 2397	August
Nonresident Temporary	45		53		83	Total 2412	July
Property Tax Agents	329		347		358		

Mr. Pietropaulo informed the Board that in the previous month, the number of license and certified appraisers fell by 15. The new computer servers are in place and the staff is working on securing the domain name and the conversion of the new database. The credit card function is still in process and working with the state accounting department and working out the credit card processing fee to be charged to the appraiser.

Application Review Committee

James Heaslet recommended that the Board approve all items on the Application Review Committee agenda except for applicant Stephen R O'Rourke. Debbie Rudd made the motion that the Board accept the Committee's recommendations. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion. James Heaslet provided information regarding applicant Stephen R. O'Rourke and his failure to disclose his previous criminal activity with his previous two applications. Debbie Rudd made the motion that the Board grant the renewal and to open a complaint for failure to disclose his previous criminal activity with his previous two applications. Mike Trueba seconded the motion. The Board voted, Mike Petrus and Kevin Yeanoplos voted no, the motion passed.

Education Review Committee

James Heaslet recommended that the Board approve all items on the Education Committee agenda. James Heaslet made the motion that the Board accept the Committee's recommendations. Mike Petrus seconded the motion. The Board voted unanimously in favor of the motion.

New Business A: Discussion, consideration and possible action concerning possible revision of the Board Member Summary Sheet.

The Board discussed changes they would like to see with the Board Member Summary Sheet. James Heaslet mentioned that they don't need the complaint and reply summary. Mike Petrus mentioned that the status of Respondent, whether they are still on probation, etc. is helpful and Kevin Yeanoplos would like to have the summary sheets available on the thumb drive that is handed out at the board meetings. Debbie Rudd mentioned that she would like to have the 2010-2011 USPAP date on the summary sheet and 1-6 (a) and (b). Rebecca Loar, Compliance Officer mentioned that she will make these recommended changes and have them available to the Board by the next board meeting.

Kevin Yeanoplos left the meeting at 4:15 p.m.

Old Business A: Discussion, consideration, and possible action regarding The 4th Draft of the Proposed Revisions to the Future Real Property Appraiser Qualification Criteria from the AQB (Appraisal Qualifications Board)

Debbie Rudd made the motion that the Board support the draft and have the Chairperson Les Abrams write a letter in support of this matter. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion.

Old Business B: Discussion, consideration, and possible action concerning the Arizona Association of Realtors BPO (Broker Price Opinion) NAR course

Debbie Rudd made the motion that the Board support the letter submitted by Tom Inserra, MAI. and have the Chairperson Les Abrams write a letter in support of this matter. Mike Petrus seconded the motion. The Board voted unanimously in favor of the motion.

New Business B: Discussion, consideration and possible action concerning possible revision of the AMC Application to include financial information.

The Board took no action on this matter.

New Business C: Discussion, consideration and possible action regarding board staff the ability to sign board notices and to have a back up for the Executive Director.


Les Abrams instructed the Executive Director, Dan Pietropaulo to delegate as he sees fit.

Confirmation of Meeting Dates, Time, Locations, and Purposes:

The next Committee and Board Meetings have been changed to a telephonic meeting with a limited agenda scheduled on September 28, 2011.

ADJOURNMENT

The meeting was adjourned.



Lester G. Abrams, Chairperson